

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301
Indianapolis, IN 46204
(317) 233-0696
<http://www.in.gov/legislative>

FISCAL IMPACT STATEMENT

LS 6274

BILL NUMBER: SB 13

NOTE PREPARED: Jan 29, 2008

BILL AMENDED: Jan 22, 2008

SUBJECT: School Facility Construction and Alteration.

FIRST AUTHOR: Sen. Hershman

FIRST SPONSOR: Rep. Welch

BILL STATUS: As Passed Senate

FUNDS AFFECTED: X **GENERAL**
DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: (Amended) This bill requires the State Board of Education to adopt administrative rules setting forth guidelines for the selection of school sites and the construction, alteration, and repair of school buildings, athletic facilities, and other categories of facilities related to the operation and administration of school corporations.

The bill requires a school corporation to consider the guidelines when developing plans and specifications, and to submit proposed plans and specifications to the Department of Education (DOE). It also requires DOE to review the plans and specifications and provide written recommendations to the school corporation, including findings as to any material differences between the plans and specifications and the guidelines. The bill requires the school corporation to have a public hearing on the plans and specifications.

The bill requires DOE to establish a central clearinghouse containing prototype designs for school facilities. It provides that: (1) architects and engineers registered to practice in Indiana may submit plans to the clearinghouse; (2) the original architect or engineer of record retains ownership of and liability for a prototype design; and (3) a prototype design may not be used without the permission of the original architect or engineer of record.

Effective Date: (Amended) January 1, 2009.

Explanation of State Expenditures: (Revised) DOE would likely need to add staff to develop guidelines for school facilities construction and alternation and to review school construction projects. Prior to 1995, DOE employed four professional staff to review construction proposals.

Assuming that at least four staff members at \$68,033 and one administrative assistant at \$30,799 would be needed to perform this function, a portion of the cost would be \$421,801 for FY 2008 and \$420,428 for FY 2009.

The Department could also incur some additional expense in creating the central clearinghouse containing prototype designs for school facilities but the additional cost would probably be minor.

The funds and resources required above could be supplied through a variety of sources, including the following: (1) existing staff and resources not currently being used to capacity; (2) existing staff and resources currently being used in another program; (3) authorized, but vacant, staff positions, including those positions that would need to be reclassified; (4) funds that, otherwise, would be reverted; or (5) new appropriations. DOE had 73 vacant positions worth \$733,066 as of January 14, 2008. Of the vacant positions, 35 had been vacant for more than two years. DOE reverted about \$5.2 M to the state General Fund on June 30, 2007. Ultimately, the source of funds and resources required to satisfy the requirements of this bill will depend upon legislative and administrative actions.

Explanation of State Revenues:

Explanation of Local Expenditures: (Revised) The clearinghouse and the guidelines may reduce the construction cost by an unknown amount.

Background: The Department of Local Government Finance approved school new construction projects worth \$597.6 M during CY 2007. Of the \$597.6 M, \$30.3 M was budgeted for architect fees on the construction projects.

Explanation of Local Revenues:

State Agencies Affected: Department of Education.

Local Agencies Affected: Schools.

Information Sources: Department of Local Government Finance.

Fiscal Analyst: Chuck Mayfield, 317-232-4825.